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Hearing Date and Time

April 30, 2020, at 10:00 a.m.

*Attorneys for Counsel Financial II LLC,
LIG Capital LLC, and Counsel Financial Holdings LLC*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
:
JEFFREY LEW LIDDLE, : Case No. 19-10747 (SHL)
: (Jointly Administered with Case No. 19-12346)
Debtor. : Related Doc. 249, 250 and 257
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**SUPPLEMENTAL DECLARATION OF ROBERT L. RATTET IN FURTHER
SUPPORT OF MOTION BY COUNSEL FINANCIAL II LLC, LIG CAPITAL
LLC, AND COUNSEL FINANCIAL HOLDINGS LLC, PURSUANT TO § 1112(b)
OF THE BANKRUPTCY CODE, TO CONVERT DEBTOR’S CHAPTER 11
REORGANIZATION TO A CHAPTER 7 LIQUIDATION**

ROBERT L. RATTET, declares under 28 U.S.C. §1746:

1. I am a partner with Davidoff Hutcher & Citron LLP, attorneys for Counsel Financial II LLC (“CF2”), LIG Capital LLC (“LIG”), and Counsel Financial Holdings LLC (“Holdings” and together with CF2 and LIG, “Counsel Financial”) and I submit this declaration in further support of the motion by Counsel Financial, pursuant to § 1112(b) of the Bankruptcy Code, to convert the Debtor’s chapter 11 reorganizations to chapter 7 liquidations.

Additional MORs

2. Approximately six months have passed since the motion to convert was filed and, since then, the Debtor filed additional monthly operating reports that impact negatively on this estate. In addition, undisclosed tax liabilities may render this estate administratively insolvent.

3. First, review of the Debtor's most recent monthly operating reports shows profligate spending that may constitute looting of the estate. Apparently, there are no checks on the Debtor's lavish and extravagant lifestyle.

4. Annexed as **Exhibit "A"** is a list of cash withdrawals by the Debtor totaling \$45,238. There are more than 152 ATM withdrawals, most in excess of \$300, and the Debtor has never accounted for any of these funds.

5. Annexed as **Exhibit "B"** is a list of payments for miscellaneous expenses totaling \$15,668.00, including \$8,166 for suits from J. Press.

6. Annexed as **Exhibit "C"** is a list of payments to or for the benefit of the Debtor's adult children totaling \$39,114.00.

7. Annexed as **Exhibit "D"** is a list of payments for his mansion in the Hamptons totaling \$52,190.

8. Annexed as **Exhibit "E"** is a list of payments for luxury vehicles and garaging totaling \$13,374.

9. Annexed as **Exhibit "F"** is a list of payments for memberships in private clubs totaling \$14,700, including a tennis club in Manhattan and a beach club in the Hamptons.

10. Annexed as **Exhibit "G"** is a list of payments by the Debtor for expensive restaurants totaling \$4,769.00.

11. Annexed as **Exhibit “H”** is a list of payments for wine storage totaling \$3,000. While the Debtor claims to have transferred most of his wine collection to his wife and daughter (without any consideration), his estate is paying the monthly storage charges.

12. Annexed as **Exhibit “I”** is a list of payments totaling \$16,280 for storage of personal property.

13. Annexed as **Exhibit “J”** is a list of payments for monthly rent towards a luxury apartment totaling \$80,948.00.

14. Annexed as **Exhibit “K”** is a list of the Debtor’s accrued professional fees totaling \$952,034.29 through December 2019 for Foley Hoag and through January 2020 for EisnerAmper.

15. Annexed as **Exhibit “L”** is a schedule of ongoing losses by the Debtor’s estate. Excluding professional fees, the Debtor’s estate lost \$287,897. With accrued professional fees, the Debtor’s estate lost \$1,239,931.29.

Undisclosed Tax Liabilities

16. Upon information and belief, the Debtor has tax liabilities not disclosed on the monthly operating reports. Specifically, the Debtor may have a huge post-petition tax liability for 2019 based upon taxable income passed through from the Debtor’s law firm, a professional partnership. It is also unclear whether the Debtor has been making quarterly tax payments based upon his \$15,000 monthly draw.

17. In addition to the three Counsel Financial entities’ claims totaling \$9,238,086.37 against the Debtor, the chapter 11 trustee of Liddle & Robinson LLP has filed a claim of \$6,750,000.00 against the Debtor. The Debtor’s only remaining unencumbered assets are approximately \$350,000 in the Debtor’s DIP account and a parcel of real property in Quiogue, NY

valued by the Debtor at \$500,000.

18. In sum, the Debtor is hopelessly insolvent and unable to propose a plan. As a result of the conduct of the Debtor and the unexplained transfers, as set forth above, we suggest that the Court consider referring this matter to the U.S. Attorney's Office for further investigation for potential violations of 18 U.S.C. § 152, *et. seq.*

19. The Debtor has been given more than a year to reorganize and the results have been a disaster for this estate. It is time to end the ongoing losses and convert this case to chapter 7.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 24th day of April, 2020

/s/ Robert L. Rattet
Robert L. Rattet, Esq.

EXHIBIT A

Date	Amount
3/30/2020	303.00
3/30/2020	101.00
3/30/2020	303.00
3/26/2020	303.00
3/23/2020	303.00
3/23/2020	303.00
3/23/2020	303.00
3/20/2020	303.00
3/19/2020	300.00
3/18/2020	303.00
3/17/2020	303.00
3/16/2020	300.00
3/12/2020	300.00
3/10/2020	300.00
3/5/2020	300.00
3/2/2020	300.00
3/2/2020	300.00
2/24/2020	300.00
2/21/2020	300.00
2/20/2020	300.00
2/18/2020	300.00
2/13/2020	300.00
2/12/2020	300.00
2/11/2020	300.00
2/10/2020	300.00
2/5/2020	300.00
2/3/2020	300.00
1/31/2020	303.00
1/29/2020	300.00
1/27/2020	300.00
1/21/2020	300.00
1/21/2020	300.00
1/17/2020	300.00
1/13/2020	300.00
1/13/2020	300.00
1/13/2020	300.00
1/8/2020	300.00
1/7/2020	300.00
1/6/2020	300.00
1/2/2020	300.00
12/31/2019	303.00
12/30/2019	303.00
12/30/2019	303.00
12/30/2019	303.00
12/26/2019	303.00
12/24/2019	303.00

12/23/2019	303.00
12/20/2019	303.00
12/17/2019	303.00
12/16/2019	300.00
12/9/2019	300.00
12/6/2019	200.00
12/4/2019	300.00
12/2/2019	300.00
11/27/2019	303.00
11/25/2019	300.00
11/20/2019	300.00
11/18/2019	300.00
11/15/2019	300.00
11/12/2019	300.00
11/12/2019	300.00
11/12/2019	300.00
11/7/2019	300.00
11/4/2019	200.00
11/4/2019	300.00
10/31/2019	300.00
10/29/2019	303.00
10/24/2019	303.00
10/22/2019	300.00
10/18/2019	303.00
10/15/2019	300.00
10/11/2019	300.00
10/9/2019	300.00
10/7/2019	300.00
10/7/2019	300.00
10/4/2019	200.00
10/3/2019	200.00
9/30/2019	300.00
9/27/2019	300.00
9/23/2019	300.00
9/20/2019	300.00
9/18/2019	300.00
9/13/2019	300.00
9/13/2019	300.00
9/9/2019	300.00
9/5/2019	300.00
9/4/2019	300.00
9/4/2019	300.00
9/3/2019	300.00
8/29/2019	300.00
8/28/2019	300.00
8/26/2019	300.00
8/23/2019	300.00

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8/20/2019	300.00
8/12/2019	200.00
8/12/2019	300.00
8/9/2019	300.00
8/8/2019	300.00
7/31/2019	300.00
7/30/2019	300.00
7/26/2019	300.00
7/25/2019	300.00
7/22/2019	300.00
7/15/2019	300.00
7/10/2019	300.00
7/9/2019	300.00
7/5/2019	300.00
7/3/2019	300.00
7/1/2019	300.00
6/28/2019	300.00
6/24/2019	300.00
6/24/2019	200.00
6/21/2019	300.00
6/18/2019	300.00
6/17/2019	300.00
6/14/2019	300.00
6/12/2019	300.00
6/10/2019	200.00
6/7/2019	300.00
6/5/2019	300.00
6/3/2019	200.00
5/31/2019	300.00
5/28/2019	300.00
5/24/2019	300.00
5/22/2019	300.00
5/20/2019	300.00
5/20/2019	300.00
5/16/2019	500.00
5/16/2019	300.00
5/14/2019	300.00
5/13/2019	203.00
5/9/2019	300.00
5/8/2019	300.00
5/6/2019	200.00
5/6/2019	200.00
5/6/2019	300.00
5/2/2019	200.00
5/1/2019	450.00
5/1/2019	300.00
4/29/2019	203.00

4/24/2019	300.00
4/22/2019	203.00
4/22/2019	203.00
4/18/2019	300.00
4/16/2019	200.00
4/10/2019	200.00
4/8/2019	200.00
4/8/2019	203.00
4/8/2019	203.00
4/4/2019	200.00
3/29/2019	100.00
3/11/2019	2,000.00
Date:	\$45,238.00

EXHIBIT B

Date	Amount	Purpose
3/31/2020	3,690.00	Transfer to Citibank
3/17/2020	8,166.00	J. Press - Suit Purchases
1/23/2020	179.00	Hampton's Wine shop
12/9/2019	1,000.00	Meurice Garment Care Dry Cleaning
11/4/2019	233.00	Sutton Wine shop
8/6/2019	1,000.00	Meurice Garment Care Dry Cleaning
5/6/2019	1,000.00	Dry cleaners
3/15/2019	400.00	Transfer to J Liddle
Total:	\$ 15,668.00	

EXHIBIT C

Date	Amount	Purpose
3/31/2020	3,200.00	Daughter's rent payment
2/28/2020	1,600.00	Daughter's rent
2/5/2020	1,600.00	Daughter's rent
12/20/2019	1,600.00	Daughter's rent payment
11/29/2019	1,600.00	Daughter's rent payment
11/1/2019	1,600.00	Daughter's rent
10/7/2019	1,600.00	Daughter's rent payment
10/2/2019	2,500.00	Attorney retainer for son
9/6/2019	1,600.00	Daughter's rent payment
8/12/2019	1,050.00	Son's rent payment
8/9/2019	500.00	transfer to daughter - ulilities and other incidentals
8/2/2019	1,600.00	Daughter's rent
7/9/2019	1,050.00	Son's rent
7/8/2019	8,214.00	Son's tuition
7/2/2019	1,600.00	Daughter's rent
6/6/2019	1,050.00	Son's rent
5/31/2019	1,600.00	Daughter's expenses - rent
5/3/2019	1,500.00	Daughter's expenses - rent
5/1/2019	1,600.00	Daughter's expenses
5/1/2019	450.00	Daughter's expenses
5/1/2019	2,000.00	Son's rent/ utilities
Total:	\$39,114.00	

EXHIBIT D

Date	Amount	Purpose
2/28/2020	45.00	PSEG - Electric Utility for Hamptons Property
2/28/2020	258.00	PSEG - Electric Utility for Hamptons Property
2/10/2020	136.00	PSEG - Electric Utility for Hamptons Property
2/10/2020	650.00	PSEG - Electric Utility for Hamptons Property
7/18/2019	38,587.00	Hampton home quarterly tax
7/10/2019	130.00	PSEG
7/10/2019	843.00	PSEG
6/18/2019	235.00	Bill payment for Hamptons Property
6/10/2019	2,143.00	Fuel and heating for Hamptons Property
6/10/2019	8,000.00	Hamptons property taxes
6/10/2019	338.00	Bill payment for Hamptons Property
5/17/2019	825.00	Housekeeper for Hamptons Property
Total:	\$ 52,190.00	

EXHIBIT E

Date	Amount	Purpose
3/3/2020	963.00	Car Lease payment
2/11/2020	963.00	Car Lease payment
2/11/2020	963.00	Car Lease payment
10/7/2019	963.00	Car Lease payment
9/16/2019	963.00	Car Lease payment
7/15/2019	560.00	Garage monthly payment
7/12/2019	2,888.00	Car Lease Payment
12/18/2019	1,926.00	Car Lease Payments
5/16/2019	124.00	Garage
5/9/2019	560.00	Garage monthly payment
5/6/2019	1,926.00	Car lease payment
4/19/2019	575.00	Sutton Parking
Total:	\$ 13,374.00	

EXHIBIT F

Date	Amount	Purpose
3/2/2020	1,750.00	Maintenance -- Swordfish club
3/2/2020	2,290.00	Pool remediation -- Swordfish club
2/18/2020	1,625.00	Member dues --Swordfish club
1/30/2020	450.00	The Wine and Food Society Annual Membership dues
10/11/2019	7,650.00	Roosevelt Island Racquet -tennis membership *less reimbursement amount*
7/29/2019	935.00	Wine and Food Society membershp dues
Total:	\$ 14,700.00	

EXHIBIT G

Date	Amount	Purpose
2/10/2020	238.00	Yara
2/10/2020	238.00	Yara
1/15/2020	412.00	Sushi by Bou
1/13/2020	310.00	LaGoulue Restaurant
1/6/2020	470.00	Dining
10/28/2019	137.00	Ethos Gallery
10/21/2019	138.00	La Villeta
10/7/2019	160.00	Arties
10/7/2019	165.00	The Wine House
10/4/2019	239.00	Altesi Restaurant
9/30/2019	175.00	Bobby Vans
9/19/2019	112.00	Afghan Kebab
9/19/2019	262.00	Grand Central
9/9/2019	373.00	21 Club
9/3/2019	118.00	Westhampton Dining
8/20/2019	207.00	Boat Basin
7/5/2019	154.00	Ethos Gallery
6/19/2019	159.00	Bistro Vendoma
6/10/2019	496.00	Sushi Seiki
6/6/2019	206.00	Crave NY
Total:	\$4,769.00	

EXHIBIT H

Date	Amount	Purpose
3/31/2020	3,200.00	Daughter's rent payment
2/28/2020	1,600.00	Daughter's rent
2/5/2020	1,600.00	Daughter's rent
12/20/2019	1,600.00	Daughter's rent payment
11/29/2019	1,600.00	Daughter's rent payment
11/1/2019	1,600.00	Daughter's rent
10/7/2019	1,600.00	Daughter's rent payment
10/2/2019	2,500.00	Attorney retainer for son
9/6/2019	1,600.00	Daughter's rent payment
8/12/2019	1,050.00	Son's rent payment
8/9/2019	500.00	transfer to daughter - ulilities and other incidentals
8/2/2019	1,600.00	Daughter's rent
7/9/2019	1,050.00	Son's rent
7/8/2019	8,214.00	Son's tuition
7/2/2019	1,600.00	Daughter's rent
6/6/2019	1,050.00	Son's rent
5/31/2019	1,600.00	Daughter's expenses - rent
5/3/2019	1,500.00	Daughter's expenses - rent
5/1/2019	1,600.00	Daughter's expenses
5/1/2019	450.00	Daughter's expenses
5/1/2019	2,000.00	Son's rent/ utilities
Total:	\$39,114.00	

EXHIBIT I

Date	Amount	Purpose
3/5/2020	2672	South Fork Storage
1/6/2020	1,944	South Fork Storage
1/6/2020	1,944	South Fork Storage
11/15/2019	1,944	South Fork Storage
10/3/2019	1,944	South Forks Storage
9/3/2019	1,944	South Fork Storage
8/6/2019	1,944	South Fork Storage
6/4/2019	1,944	South Fork Storage
Total:	\$ 16,280.00	

EXHIBIT J

Date	Amount	Purpose
3/3/2020	9,500.00	Personal Rent
2/1/2020	-	Personal Rent
1/1/2020	-	Personal Rent
12/1/2019	-	Personal Rent
11/6/2019	7,800.00	Personal Rent
10/7/2019	7,800.00	Personal Rent
9/9/2019	7,800.00	Personal Rent
8/6/2019	7,800.00	Personal Rent
7/3/2019	7,800.00	Personal Rent
6/4/2019	7,800.00	Personal Rent
5/7/2019	7,500.00	Personal Rent
4/4/2019	7,300.00	Personal Rent
3/18/2019	9,848.00	Personal Rent
Total:	\$ 80,948.00	

EXHIBIT K

CASE NO. 19-10747

PROFESSIONAL FEES

Time Period	Doc #	Amount of Compensation Requested	Total Compensation Net of Holdback
EisnerAmper, LLP			
4/26/19-5/31/19	189	43,850.50	35,140.04
6/1/19-6/30/19	190	31,670.50	25,560.70
7/1/19-7/31/19	191	32,498.50	26,020.10
8/1/2019-8/30/2019	192	21,460.50	17,147.90
9/1/2019-9/30-2019	215	12,210.50	9,768.40
10/1/19-10/31/19	239	5,795.00	4,636.00
11/1/19-11/30/19	298	8,204.00	6,568.20
12/1/19-12/31/19	299	8,630.00	6,918.30
1/1/2020-1/31/2020	327	4,802.50	3,859.00
	Subtotal:	\$ 169,122.00	\$ 135,618.64
Foley Hoag LLP			
4/27/19-5/31/19	222	163,824.90	131,059.92
6/1/29-6/30/19	223	142,996.05	116,668.02
7/1/19-7/31/19	224	120,968.10	99,982.04
8/1/19-8/31/19	225	62,887.50	52,018.11
9/1/19-9/30/19	242	32,671.00	27,567.19
10/1/19-10/31/19	243	41,872.95	34,374.99
11/1/19-11/30/19	325	42,875.55	36,682.37
12/1/19-12/31/19	326	39,032.64	32,271.55
	Subtotal:	\$ 647,128.69	\$ 530,624.19
Torlys LLP	287	\$ 135,783.60	\$ 108,626.08
Total		\$ 952,034.29	\$ 774,868.91

EXHIBIT L

Date	MOR Doc.	Personal Income*	Personal Expenses*	Cash Flow (excluding professional fees)	*Excluding L&R related costs, transfers, and reimbursements
3/1/20	349.00	3,760.00	44,240.00	(40,480.00)	
2/1/20	336.00	48,760.00	25,953.00	22,807.00	
1/1/20	320.00	7,491.00	66,685.00	(59,194.00)	
12/1/19	295.00	33,701.00	54,284.00	(20,583.00)	
11/1/19	282.00	75,001.00	72,488.00	2,513.00	
10/1/19	234.00	6,701.00	30,931.00	(24,230.00)	
9/1/19	199.00	3,701.00	23,512.00	(19,811.00)	
8/1/19	198.00	3,701.00	62,078.00	(58,377.00)	
7/1/19	156.00	3,701.00	73,154.00	(69,453.00)	
6/1/19	128.00	3,701.00	38,293.00	(34,592.00)	
5/1/19	97.00	3,701.00	47,462.00	(43,761.00)	
4/1/19	86.00	75,048.00	18,069.00	56,979.00	
3/1/19	80.00	425.00	140.00	285.00	
			Total:	\$ (287,897.00)	
			Average monthly deficit:	\$ (22,145.92)	